

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name NBT Bancorp Inc.		2 Issuer's employer identification number (EIN) 16-1268674	
3 Name of contact for additional information Holly Craver, Director Shareholder Relations	4 Telephone No. of contact 518-673-3243	5 Email address of contact HCraver@nbtbci.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 52 South Broad Street		7 City, town, or post office, state, and Zip code of contact Norwich, NY 13815	
8 Date of action June 8, 2012		9 Classification and description NBT Bancorp Inc. Common Stok	
10 CUSIP number 628778102	11 Serial number(s)	12 Ticker symbol NBTB	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On June 8, 2012, NBT Bancorp Inc. (the "Company") completed its acquisition of Hampshire First Bank through the merger of Hampshire First Bank with and into its wholly owned subsidiary, NBT Bank, NA (the "Merger"). As a result of the Merger, shareholders of Hampshire First Bank ("Hampshire Shareholders") exchanged their common stock of Hampshire First Bank ("Hampshire Stock") into a right to receive either 0.7019 shares of Company common stock or \$15.00 in cash, subject to 65% of Hampshire Stock being exchanged for Company common stock (the "Proration Provisions"). Based on final election results of the Hampshire Shareholders and applying the Proration Provisions, Hampshire Shareholders received .7019 shares of Company common stock for each share of Hampshire Stock for which they made a valid stock election; Hampshire Shareholders received \$8.09 in cash and .32 shares of Company common stock for each share of Hampshire Stock for which they made a valid cash election; and Hampshire Shareholders who expressed no preference or who did not make a valid election received .7019 shares of Company common stock for each share of Hampshire Stock tendered.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **See Attachment 1**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **See Attachment 2**

ATTACHMENT 1
NBT BANCORP INC.
ACQUISITION OF HAMPSHIRE FIRST BANK
FORM 8937
BOX 15

Effect of the Action

The Merger qualified as reorganization within the meaning of Section 368(a) of the Code. As such, in general, the tax basis consequences to Hampshire Shareholders would be determined under Section 358 of the Code. The effect of the Merger on the tax basis on Hampshire Stock held by Hampshire Shareholders depends primarily on whether the shares were exchanged solely for cash or for a combination of Company common stock and cash and is summarized as follows:

Shareholders Who Received Only Cash. A Hampshire Shareholder who received solely cash in exchange for all of his or her shares of Hampshire Stock as result of the Merger will be treated as having received full payment for their Hampshire Stock. Consequently, since the shareholder did not receive any new stock, there will be no new basis to compute.

Shareholders Who Received Company Common Stock and Cash. The tax basis of the shares of Company common stock received by a Hampshire Shareholder who receives a combination of Company common stock and cash in exchange for his or her Hampshire Stock will be the same as the basis of the shares of Hampshire Stock surrendered in exchange for the shares of Company common stock, plus any gain recognized by such shareholder in the Merger, and minus any cash received by the shareholder in the Merger.

Shareholders Who Received Cash in Lieu of Fractional Shares. A Hampshire Shareholder who received cash in lieu of a fractional share interest in Company common stock will be treated as having received such cash in full payment for such fractional share of stock. Consequently, since the shareholder did not receive stock in exchange for the fractional share interest, there will be no new basis to compute.

In general, any gain recognized should be reported by a Hampshire Shareholder for the taxable year which includes June 8, 2012 (e.g. a calendar year shareholder would report the transaction on his or her Federal income tax return filed for the 2012 calendar year).

**ATTACHMENT 2
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BOX 16**

The following example illustrates the method by which a former Hampshire Shareholder would determine his or her basis in the Company common stock received in the Merger. The example assumes that the shareholder is an individual U.S. citizen or resident who acquired his or her shares of Hampshire Stock in one block at the same price for cash and holds such shares as capital assets. The example does not address any special rules that may apply to a particular shareholder (including shares received as compensation), nor do they address the consequences of any state, local or foreign tax laws. We have not included an example that covers the exchange of Hampshire Stock for cash, since such an exchange does not include any Company common stock (and accordingly there is no new basis to calculate).

Example: Shareholders Who Elected the Mixed Allocation of 65% Stock and 35% Cash

Number of shares of Hampshire Stock held prior to the Merger-100

Tax basis in each share of Hampshire Stock-\$10

Aggregate tax basis in Hampshire shares-\$1,000

Fair market value of each Company share received in merger - \$20.34 (Closing quoted NASDAQ selling price on June 8, 2012.)

Fair market value of Company stock for purposes of determining fractional share payment - \$19.85 (average closing price of Company stock for the ten consecutive trading days ended June 8, 2012)

1. Cost Basis in Hampshire Stock: (100 x \$10)	\$1,000.00
2. Total Merger Consideration:	
Common stock received (45 Company shares x \$20.34)	\$ 915.30
Value of NBT fractional share (.6235 of a share x \$19.45)	12.13
Cash Merger Consideration (35 Hampshire shares x \$15.00)	525.00
Total Consideration	\$1,452.43
3. Realized Gain:	
Total consideration (Total Consideration (see Line 2))	\$1,452.43
Less: Cost basis in Hampshire shares (see above)	1,000.00
Realized Gain	\$ 452.43

4. Recognized Gain:

Determined as the lesser of Realized Gain or Cash Received (not Including cash in lieu of the fractional share) \$ 452.43

5. Tax Basis in Company Shares Received in the Merger

Basis in Hampshire Shares	\$1,000.00
Less: Cash Amount Received	-525.00
Plus: Recognized Gain	<u>452.43</u>
Basis in Company Shares	\$ 927.43

6. Taxable Gain on Fractional Share

Cash paid in lieu of fractional share (.6235 x \$19.85)	\$ 12.38
Less: Basis attributable to fractional share (.6235/45.6235 x \$650)	<u>8.88</u>
Taxable Gain	\$ 3.50

7. Final Adjusted Tax Basis in Company Shares

Basis in shares received (including fractional shares)	\$ 927.43
Less: Basis attributable to fractional share	<u>- 8.88</u>
Basis in Company shares	\$ 918.55
Per Share Basis	\$ 20.41

The calculations set forth above are for illustrative purposes only and should not be considered tax advice. You are urged to discuss your specific tax situation with your tax advisor.

Posted to NBT Bancorp Inc. website on July 23, 2012

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The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used for the purposes of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending any transaction or matter addressed herein.